

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**Session 2015**

**Legislative Fiscal Note**

**BILL NUMBER:** House Bill 1039 (First Edition)  
**SHORT TITLE:** Increase Sampson County Occupancy Tax.  
**SPONSOR(S):** Representatives L. Bell and Brisson

<b>FISCAL IMPACT</b>					
(\$ in millions)					
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Estimate Available					
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
<b>State Impact</b>					
General Fund Revenues:					
General Fund Expenditures:					
State Positions:					
<b>NET STATE IMPACT</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Local Impact</b>					
Revenues:	\$0.07	\$0.07	\$0.08	\$0.08	\$0.08
Expenditures:					
<b>NET LOCAL IMPACT</b>	<b>\$0.07</b>	<b>\$0.07</b>	<b>\$0.08</b>	<b>\$0.08</b>	<b>\$0.08</b>
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b> Sampson County					
<b>EFFECTIVE DATE:</b> This act is effective when it becomes law.					
<b>TECHNICAL CONSIDERATIONS:</b>					
None					

**BILL SUMMARY:**

House Bill 1039 would amend SL 2007-63, Section 1, by adding a new subsection (a1) to authorize Sampson County to levy an additional room occupancy tax of up to 3% of the gross receipts derived from the rental of accommodations taxable under subsection (a) of Section 1. It provides that the County cannot levy a tax under new subsection (a1) unless it also levies the 3% tax authorized under subsection (a). The bill provides that a tax levied under Section 1 is to be levied, administered, collected, and repealed as provided in GS 153A-155, concerning uniform provisions for room occupancy taxes in counties, and that penalties provided in GS 153A-155 also apply to a tax levied under Section 1.

Also, the bill amends SL 2007-63, Section 2, by making conforming changes to clarify that when the Board of Commissioners adopts a resolution levying a room occupancy tax under subsection (a) of Section 1 of this act, it must also adopt a resolution creating the Sampson County Tourism

Development Authority, which is to be a public authority under the Local Government Budget and Fiscal Control Act.

**ASSUMPTIONS AND METHODOLOGY:**

According to the North Carolina Department of Revenue, the most recent occupancy tax collection data for Sampson County was \$62,567 for FY 2013-14. That amount was collected using the current 3% occupancy tax rate. House Bill 1039 would double that rate to 6%, by adding an additional 3% occupancy rate.

Assuming similar collections under the additional 3% room occupancy rate and growing by the North Carolina leisure and hospitality portion of the Gross State Product, collections for FY 2016-17 are estimated to be \$69,522. That amount would increase to \$80,551 by FY 2020-21.

**SOURCES OF DATA:** North Carolina Department of Revenue; Moody's Economy.com

**TECHNICAL CONSIDERATIONS:** None

**FISCAL RESEARCH DIVISION:** (919) 733-4910

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**APPROVED BY:**

Mark Trogdon, Director  
**Fiscal Research Division**

**DATE:** May 23, 2016



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